REVIEW OF THE REGULATORY FRAMEWORK FOR MANAGED INVESTMENT SCHEMES - CONSULTATION

PREPARED BY:
THE ASSOCIATION OF INDEPENDENTLY OWNED FINANCIAL PROFESSIONALS [AIOFP]
SEPTEMBER 2023

MISReview@treasury.gov.au

INDEX

EXECUTIVE SUMMARY

The continued reluctance by successive Governments and Federal Bureaucrats over the past 32 years to address the profoundly flawed structure of the Managed Investment Schemes [MIS] legislation must be the greatest dereliction of duty to protect consumer welfare in Australian public service history.

We applaud the Minister to be the first politician in 32 years to address this umbrageous issue but not allowing it to be considered in the context of the Compensation Scheme of Last Resort [CSLR] again demonstrates its highly sensitive and parlous threat to public servant performance and financial institutional donors to all sides of politics.

The origins of this sequel dates to February 1991 when the Australian Securities Commission [ASC] discovered they were responsible for the contents of a Prospectus and decided to remove itself from this ongoing liability. Very understandable in commercial and political terms in fact a sound decision to protect the nations bank account balance but an ongoing unmitigated disaster for the very stakeholder ASC were meant to protect, the consumer.

The analogy of 'throwing the baby out with the bath water' is apt in this context. The Product Disclosure Statement [PDS] procedure that replaced the Prospectus liability issue can only be described as cataclysmic for consumers and the Financial Advice industry [Advisers].

This decision has prioritised protecting ASC/ASIC from liability over protecting the public from product failure. The AIOFP has continually addressed this issue directly with ASIC and various Ministers to no avail over the past 25 years. To be fair to ASIC however, it is a matter of Law and can only be addressed by Politicians.

Attached is a list of 192 failed, frozen or impaired MIS funds where consumers have over $40 Billion of their savings affected by the failure of the MIS/PDS regime. The grossly inadequate warning of 'Caveat Emptor' [buyer beware] by ASIC to consumers who have lost their life savings in MIS schemes is nothing short of pitiful.

The PERTH Stirling First fiasco is a recent example of consumers not realising they have invested into an MIS retirement village structure, were unaware of the risks, the manager fails and these people are now homeless in their retirement years. The irony of this example is if they had invested via a Financial Adviser they would have had a PI policy to claim against.

We suggest most consumers believe that any PDS registered by ASIC must have been scrutinised by ASIC for business model sustainability and Director competency, in other words they feel relatively safe investing thinking these fundamental issues have been addressed. Unfortunately, this is far from reality, PDS registration is a 'tick the box' exercise with minimal scrutiny although the latest DDO measures are an improvement. All liability rests with the investor, but they don't know it or conceptualise it.

The Advice community has been subject to an ongoing injustice since 1991 where Advisers are victimised when one of ASIC's registered PDS products fail and they ask why did the Adviser use it…..a simple response of 'because you allowed it onto the market' is met with a vicious political and legal attack on the Adviser personally and their business. ASIC have clearly used Financial Advisers as their political 'scape goat' to deflect scrutiny of their flawed PDS process over the decades and it still happens today.

Furthermore, it is only over the past 10 years or so that most Advisers have realised that ASIC do not interrogate the fundamentals of a PDS. Literally, 'Dodgy Corp' can get a PDS registered and sell it to vulnerable consumers online, a mind - numbing scenario that completely defies public policy common sense, but it has been going on for 32 years.

This is a national disgrace and abysmal failure of public policy that has been allowed to exist but it could be greatly de - risked with a relatively simple amendment.

One of the greatest conflicts in the financial services industry are Research Houses accepting fees from Product Manufacturers [PM] to rate the PM's own product…..a profoundly conflicted environment where PM's can 'shop around' and buy a rating that suits their agenda. It should be noted that all those 192 failed funds had a positive rating they had purchased from a conflicted Research House…..but they all failed!

This highly defective procedure allows the abovementioned 'Dodgy Corp' the ability to buy a high rating for their flawed product and sell it online to consumers, again another mind – numbing public policy outrage that is permitted to exist.

Financial Advisers should be the only stakeholder funding Research Houses, this ensures the Research House is acting in the best interests of Advisers and their clients, not the PM.

We suggest the ASIC Adviser levy is used to fund a panel of professional research analysts to assess every new PDS ASIC registers BEFORE market release on a scale of 1 – 10, 10 being excellent and anything below 5 should be avoided. This will give all consumers at least an indication on the quality of a PDS before committing their savings.

Poor PM's will hate it, good PM's will like it and consumers/Adviser will benefit - just the way it should be.

Consultation Questions:

Chapter 1 – Wholesale client thresholds

1. **Should the financial threshold for the product value test be increased? If so, increased to what value and why?**

   The financial product threshold should be increased from $500,000 to $1,000,000 with indexation that takes inflation into account and to ensure the threshold continues to increase and remain relevant into the future. A consultation in 2011 asking this exact question identified that $500,000 was too low and that that this figure was determined based on 1991 figures. Household income and wealth report conducted by Treasury, states that the average household net worth in 2021-22 is $1.4 million compared to 2003-04 figures of $514,058.[1]

2. **Should the financial thresholds for the net assets and/or gross income in the individual wealth test be increased? If so, increased to what value and why?**

   The Current threshold for individual wealth is $2.5million in net assets or gross income for each of the last two financial years of at least $250,000 per annum, should be retained.

   The average full-time annual earnings is $90,800 per annum[2], with 1% of the population taking home earnings more than $253,066[3] based on these figures and that we have stagnant wage growth the current threshold and net assets would preclude investors who should be intreated as retail clients and not wholesale.

3. **Should certain assets be excluded when determining an individual's net assets for the purposes of the individual wealth test? If so, which assets and why?**

   Illiquid assets such as Primary places of residence and Superannuation should be excluded. This would be to ensure that clients who only have their home and superannuation are treated as retail clients.

---

[1] https://treasury.gov.au/policy-topics/measuring-what-matters/dashboard/household-income-wealth - 19/09/2023

[2] https://www.timedoctor.com/blog/average-salary-in-australia/#:~:text=Note%3A%20Salary%20is%20one%20of,the%20highest%20median%20household%20income. – 19/09/2023

[3] https://www.afr.com/politics/how-wealthy-are-you-compared-to-everyone-else-in-eight-charts-20221214-p5c6a8 - 19/09/2023

4. **If consent requirements were to be introduced:**
   (a) **How could these be designed to ensure investors understand the consequences of being considered a wholesale client?**

   The client would need to sign a form that clearly outlines that they are not going to receive the protection given to retail clients and are now considered a wholesale client.

   (b) **Should the same consent requirements be introduced for each wholesale client test (or revised in the case of the sophisticated investor test) in Chapter 7 of the Corporations Act? If not, why not?**
   Yes, the same consent should also apply to sophisticated clients as they are also waving the protection granted to retail clients. Product disclosure statements should still be provided as well as the risk and benefits of the investment. The client may claim to be sophisticated, however may not have considered all the risk and benefits. This will also prevent abusing the sophisticated client definition to avoid providing advice documents.

Chapter 2 – Suitability of scheme investments

5. **Should conditions be imposed on certain scheme arrangements when offered to retail clients? If so, what conditions and why?**

   Complex investments should require the retail client to receive Financial Advice and ASIC as the regulator should review the Product disclosure statement (PDS) to ensure that the product is fit for retail investment. As well as mandate additional education, disclosure, or restrictions to prevent retail clients from investing in products they do not fully understand.

6. **Are any changes warranted to the procedure for scheme registration? If so, what changes and why?**
   ASIC or an appointed agent should thoroughly review the PDS and conduct PDS audits to ensure that the fund is operating within the PDS.

   Most consumers believe that any PDS registered by ASIC must have been scrutinised by ASIC for business model sustainability and Director competency. Creating a false sense of feeling relatively safe investing. Investors believe these fundamental issues have been addressed. Unfortunately, this is far from reality, PDS registration is a ‘tick the box’ exercise with minimal scrutiny although the latest DDO measures are an improvement. All liability rests with the investor, but they don’t know it or conceptualise it.

Directors and Responsible managers (RM's) should also be monitored regularly to ensure they remain fit and proper persons. Directors and RM's should also be prohibited from gambling and have regular credit assessments to monitor their financial circumstances to proactively prevent the MIS being used as a Ponzi.

Transparency of ownership, many MIS directors and RM's will use multiple trust structures for ownership. In order to maintain accountability Directors and RM's should have limitation on the use of trust ownership.

7. **What grounds, if any, should ASIC be permitted to refuse to register a scheme?**

   ASIC should refuse any registered scheme that does not meet all their criteria demands and all Directors/RM's need to pass the PDS review and background credibility and integrity criteria checks.

Chapter 3 – Scheme governance and the role of the responsible entity

8. **Are any changes required to the obligations of responsible entities to enhance scheme governance and compliance? If so, what changes and why?**

   Annual PDS audits as well as the current annual audits already required from ASIC. Annual credit checks on the Directors and RM's. These changes should show anomalies that allow for early intervention to ensure that the funds are operating as they prescribe in the PDS. Regular and ongoing director and RM checks assist to identify any behavioural concerns that may jeopardise the investors funds. Far too often MIS funds are found to have been a Ponzi, due to the ability for Directors and RM's to only provide information to ASIC to tick and flick, meaning that any mismanagement is not picked up until after the fund collapse.

   We suggest the ASIC Adviser levy is used to fund a panel of professional research analysts to assess every new PDS ASIC registers BEFORE market release on a scale of 1 – 10, 10 being excellent and anything below 5 should be avoided. This will give all consumers at least an indication on the quality of a PDS before committing their savings.

9. **Should ASIC be able to direct a responsible entity to amend a scheme's constitution to meet the minimum content requirements, similar to the CCIV regime?**
   Yes, absolutely this would be part of the annual PDS audit.

10. **Are changes required to the compliance plan provisions to ensure compliance plans are more tailored to individual schemes? If so, what changes and why?**
    Annual audit of the PDS should be included in the annual compliance audit.

11. **Should auditors be legislatively required to meet minimum qualitative standards when conducting compliance plan audits? If so, what should these standards be and why?**
    Yes, and any breaches or sanctions should be reported publicly and shared with the investors of the fund.

12. **Should responsible entities be required to have a majority of external board members, similar to the CCIV regime?**
    They should be required to have an investor, Financial Adviser, industry representative and also further diversity. There should be quoters starting with 50% women, as well as representation from First nations People, Multicultural groups, diversity in age etc but based on merit.

Chapter 4 – Right to replace the responsible entity

13. **Are any changes required to the voting requirements or meeting provisions that allow members to replace the responsible entity of a listed scheme? If so, what changes and why?**

    Members should be able to replace the RE with a simple majority as per recommendation by Justice Austin as many investors may be disengaged or difficult to contact.

14. **Are any changes required to the voting requirements or meeting provisions that allow members to replace the responsible entity of an unlisted scheme? If so, what changes and why?**

    A simple majority should be the preferred method of voting to allow poor performing RE's to be removed and as many investors may be disengaged or difficult to contact and due to low voter turnout.

15. **In what circumstances should an existing responsible entity be required to assist a prospective responsible entity conduct due diligence? What might this assistance look like?**

ASSOCIATION OF INDEPENDENTLY OWNED FINANCIAL PROFESSIONALS

The outgoing RE should provide access to the scheme books and records to the incoming RE without delay and it should no longer be reliant on "the existing RE's willingness to assist".

16. **Should there be restrictions on agreements that the responsible entity enters into or clauses in scheme constitutions that disincentivise scheme members from replacing a responsible entity? If so, what restrictions may be appropriate?**

    Yes, there should be restrictions on agreements or clauses entered into by the RE that disincentivise members from replacing the RE. We support the CAMAC recommendation in the 2012 report.

Chapter 5 – Right to withdraw from a scheme

17. **Is the definition of liquid assets appropriate? If not, how should liquid assets be defined?**

    We believe that the definition of liquid assets is appropriate.

18. **Are any changes required to the procedure for withdrawal from a scheme? If so, what changes and why?**

    We do not see any need for procedure withdrawal and believe they should be clearly documented in the PDS.

19. **Is there a potential mismatch between member expectations of being able to withdraw from a scheme and their actual rights to withdraw? If so, how might this be addressed?**

    Yes, there is potential mismatch between member expectations and ability to withdraw. These need to be clearly highlighted in the PDS.

Chapter 6 – Winding up insolvent schemes

20. **Are any changes required to the winding up provisions for registered schemes? If so, what changes and why?**

    Winding up processes must be more efficient. More certainty about rights and obligations to ensure that the fund is wound up transparently.

21. **Would a tailored insolvency regime for schemes improve outcomes for scheme operators, scheme members and creditors? Are there certain aspects of the existing company and CCIV insolvency regimes that should be adopted?**

Yes, Investment schemes, such as managed funds or collective investment vehicles, have unique structures and asset management strategies that may not fit neatly into

traditional insolvency frameworks designed for operating companies. A tailored regime can account for these differences and provide a more suitable framework.

Ring-fencing: CCIV insolvency regimes often include provisions for ring-fencing the assets of the CCIV from the assets of its manager. This separation helps protect the interests of investors in the CCIV.

Winding Up: In the event of a CCIV's insolvency, there are procedures for winding up the CCIV and distributing its assets to investors in accordance with their interests.

Regulatory Oversight: Regulatory authorities often have a role in overseeing CCIV insolvency proceedings to ensure that the interests of investors are protected and that the winding up process is conducted in compliance with relevant laws and regulations.

The specific details of company and CCIV insolvency regimes can vary by jurisdiction.

22. **Should statutory limited liability be introduced to protect personal assets of scheme members in certain circumstances? If not, why not?**
    Yes, Limited liability encourages the economic activity of companies and schemes by separating investment and management functions and shielding investors from any loss in excess of their original contribution.

Chapter 7 – Commonwealth and state regulation of real property investments

23. **Do issues arise for investors because of the dual jurisdictional responsibility when regulating schemes with real property? If so, how could they be addressed?**
    Yes, as there are significantly different regulations and scrutiny. Real property is currently excluded as a financial product. In the example of Sterling Income fund the complexity of lease arrangements and real property ownership means that the jurisdiction of Financial Product which is heavily regulated and governed by the *Corporations Act* is applied to the cash being invested, however the lease arrangement and sale and purchase of real property is excluded and covered by State law and the *Property Act,* this creates a gap for scrutiny and means that professional advice may not be permitted.

    This could be addressed with dual licence or a specialist requirement to have advice on both sides by independent professionals to ensure that clients are making informed decisions.

Chapter 8 – Regulatory cost savings

24. **What opportunities are there to modernise and streamline the regulatory framework for managed investment schemes to reduce regulatory burdens without detracting from outcomes for investors?**

    For MIS to be available for Advisers to recommend to their clients, many AFSL's require independent research from a research house. We see this as one of the greatest conflicts in the financial services industry. The conflict arises as the MIS provider is required to pay the research house significant sums of money so they can research their product and provide a rating. This rating can determine the volume of business that advisers will be permitted to invest into the MIS. The research house is conflicted as they are paying for the rating. As we have mentioned earlier, 192 MIS funds have failed, all of which had positive research ratings.

    As previously suggested, we support the ASIC Adviser levy is used to fund a panel of professional research analysts to assess every new PDS ASIC registers BEFORE market release on a scale of 1 – 10, 10 being excellent and anything below 5 should be avoided. This will give all consumers at least an indication on the quality of a PDS before committing their savings.

SUMMARY

The MIS regime is a consumer disaster zone that badly needs amending, how much more undeniable evidence does Canberra need? Consumer security is meant to be the primary focus of all industry stake holders, but some have been too busy avoiding accountability by blaming others for products failing. It is time this flawed sideshow is terminated and replaced with a practical solution to protect consumers at the point of market release. We think an independent assessment funded by the ASIC Adviser levy makes sense.

	List of Failed and Frozen Financial Products from January 2006 to August 2022	ORIGINAL	
	Managed Fund/Investment	**Value ($m) rounded to nearest million**	**Failed/Frozen Date**
1	Phoenix Technology Corporation Nexus Holdings (Walter Filler)	8.00	1/01/2000
2	Westpoint Group	388.00	15/01/2006
3	Fincorp	200.00	1/03/2007
4	Australian Capital Reserve	350.00	1/05/2007
5	Basis Aust-Rim Diversified Fund	213.00	31/05/2007
6	Basis Yield Alpha Fund	78.00	1/06/2007
7	Absolute Capital Group	400.00	28/11/2007
8	Centro Direct Property Fund	1,323.04	14/12/2007
9	Wellington Premium Income Fund	755.88	29/01/2008
10	Palandri Agribusiness	160.00	1/02/2008
11	Opes Prime	1,000.00	27/03/2008
12	Chartwell	68.00	1/04/2008
13	CFS WS Long Short Share Strategies Fund	10.18	23/05/2008
14	Lift Capital	100.00	1/06/2008
15	Domaine Diversified Property Fund	43.66	5/06/2008
16	Balmain (prev Mirvac) AQUA High Income Fund	101.23	31/07/2008
17	AMP Capital Structured High Yield Fund	1,150.00	1/08/2008
18	East Coast Mortgage Trust	143.00	1/08/2008
19	Opus Income & Capital Fund #21	172.00	1/08/2008
20	Richmond Mortgage Fund	68.00	1/08/2008
21	EQT Wholesale High Income Fund	84.39	4/08/2008
22	LM WS First Mortgage Income Fund Flexi Account	608.94	4/08/2008
23	AXA Wholesale Australian Property Fund	728.50	19/08/2008
24	Challenger Wholesale Hybrid Property Fund	136.40	21/08/2008
25	BlackRock Combined Property Income Fund	24.26	25/08/2008
26	Macquarie Direct Property Fund	156.40	25/08/2008
27	Tankstream Property Investment Fund	9.52	27/08/2008
28	ANZ/ING Mortgage Fund	1,241.89	1/09/2008
29	EQT Mortgage Income Fund	218.52	1/09/2008
30	LM Mortgage Income Fund	498.74	1/09/2008
31	MacarthurCook Mortgage Fund	191.28	1/09/2008
32	Sandhurst Select Mortgage Fund	1,207.99	1/09/2008
33	Multiplex Property Income Fund	39.68	29/09/2008
34	AMP Capital (AXA) Australian Income	76.84	1/10/2008
35	AMP Multifund Balanced Growth Fund	175.03	1/10/2008
36	APN Direct Property	26.93	1/10/2008
37	Aspen Diversified Property	114.92	1/10/2008
38	Aust Unity - High Yield Mortgage Trust	144.90	1/10/2008
39	Australian Unity Diversified Property	155.85	1/10/2008
40	Australian Unity Office Property	142.72	1/10/2008
41	AXA Australian Monthly Income	207.34	1/10/2008
42	AXA Australian Property	53.73	1/10/2008
43	AXA Gen-Australian Monthly Income	40.16	1/10/2008

	List of Failed and Frozen Financial Products from January 2006 to August 2022	ORIGINAL	
	Managed Fund/Investment	Value ($m) rounded to nearest million	Failed/Frozen Date
44	Balmain (MMT) Mortgage Trust Retail	11.00	1/10/2008
45	Balmain (MMT) Mortgage Trust WS	8.24	1/10/2008
46	Balmain (MWMT) Mortgage Trust IDPS	38.22	1/10/2008
47	Balmain AQUA Income Trust	28.46	1/10/2008
48	BlackRock Direct Property C	13.15	1/10/2008
49	BlackRock Direct Property E	35.39	1/10/2008
50	BlackRock Direct Property W	13.32	1/10/2008
51	BlackRock Direct Real Estate A	4.97	1/10/2008
52	CFS FC Inv-CFS Income	53.47	1/10/2008
53	CFS Mortgage Income Fund-Income	792.67	1/10/2008
54	CFS Mortgage Income Fund-Income Nil Entry Fee option	132.29	1/10/2008
55	Charter Hall Direct Property Fund	165.99	1/10/2008
56	Charter Hall Direct Property Wholesale	115.96	1/10/2008
57	Denison (Viento) Diversified Property	35.91	1/10/2008
58	LM Australian Income CP AUD 1 Year	0.74	1/10/2008
59	Multiplex Development and Opportunity	66.87	1/10/2008
60	OnePath OA IP-OP Mortgage Tr No. 2	34.77	1/10/2008
61	Perpetual Income Series Monthly Income	221.29	1/10/2008
62	Perpetual WFI-Perpetual Mortgage	8.34	1/10/2008
63	Rubicon Holdings Australia	245.38	1/10/2008
64	SG Hiscock Hybrid Property	15.52	1/10/2008
65	Sovereign Aged Care Property Fund	1.50	1/10/2008
66	Sovereign Tarneit Land Fund	5.50	1/10/2008
67	Trilogy (City Pacific) First Mortgage Fund	520.00	1/10/2008
68	AMP Capital Enhanced High Yield Fund	67.20	10/10/2008
69	AMP Capital Enhanced Yield A	308.97	10/10/2008
70	AMP Capital Enhanced Yield H	13.27	10/10/2008
71	APN Diversified Property Fund	21.12	13/10/2008
72	Challenger Wholesale High Yield Fund	34.48	16/10/2008
73	Challenger Howard Wholesale Mortgage Fund	2,352.66	21/10/2008
74	Australian Unity Wholesale High Yield Mortgage Fund	279.85	23/10/2008
75	AXA Wholesale Australian Monthly Income Fund	1,298.16	23/10/2008
76	Perpetual Wholesale Monthly Income Fund	369.43	23/10/2008
77	Advance Mortgage Fund	70.00	24/10/2008
78	APN International Property for Income Fund	3.13	24/10/2008
79	APN Property for Income Fund	571.89	24/10/2008
80	APN Property for Income Fund No.2	243.88	24/10/2008
81	OnePath (ING) Monthly Income Trust	91.59	24/10/2008
82	CFS Bricks and Mortar Fund	75.28	27/10/2008
83	CFS Wholesale Guaranteed Mortgage Fund	13.00	27/10/2008
84	CFS Wholesale Mortgage Income Fund	852.00	27/10/2008
85	Mariner Wholesale Mortgage Trust	15.57	27/10/2008
86	Becton Diversified Property Fund	61.96	1/11/2008

	List of Failed and Frozen Financial Products from January 2006 to August 2022	ORIGINAL	
	Managed Fund/Investment	**Value ($m) rounded to nearest million**	**Failed/Frozen Date**
87	Select Gottex Enhanced Market Neutral Fund	27.79	13/11/2008
88	Select Gottex Market Neutral Fund	61.30	13/11/2008
89	Goldman Sachs JB Were Multi Strategy Fund	1.24	14/11/2008
90	Multiplex Diversified Property Fund	65.30	17/11/2008
91	Challenger WS MTM Diversified Growth	0.89	8/12/2008
92	Invesco Wholesale Asian Share PST Fund	3.39	8/12/2008
93	DWS RREEF Global Equity Opportunities Fund	277.90	10/12/2008
94	Custom Choice WS Australian Share Portfolio	0.50	11/12/2008
95	BT Global Return Fund	1,200.00	19/12/2008
96	HFA Diversified Investments Fund, HFA High Octane Fund, HFA High Octane Fund Series 2	1,100.00	22/12/2008
97	DWS Strategic Value Fund	98.90	23/12/2008
98	Recap Enhanced Income Fund	18.84	24/12/2008
99	AXA Wholesale Australian Income Fund	208.72	31/12/2008
100	Cromwell Property Fund IDPS Option	472.00	14/01/2009
101	Storm Financial	3,000.00	15/01/2009
102	UBS Global Infrastructure Fund	0.18	2/03/2009
103	AMP Capital Core Property Fund - Class A	19.00	9/03/2009
104	UBS Credit Enhanced Cash Fund	18.47	19/03/2009
105	Timbercorp Agribusiness	200.00	23/04/2009
106	SSgA Aust Listed Property Index Trust	7.90	30/04/2009
107	SSgA Global Fixed Income Trust	1.10	30/04/2009
108	Great Southern Agribusiness	4,000.00	16/05/2009
109	Perpetual Fidelity America Fund	57.18	22/05/2009
110	Invesco Wholesale Australian Fixed Interest Fund	1.81	27/05/2009
111	Legg Mason Wholesale Defensive Trust	45.89	15/06/2009
112	MMC Small Companies Fund	53.88	30/06/2009
113	Schroder Geared Global Active Value Fund (Hedged)	128.56	31/07/2009
114	Macquarie Diversified Private Equity - 2002	6.64	29/09/2009
115	AMP Capital Investors Enhanced Index International Share Fund	4.78	30/09/2009
116	Astarra Balanced Fund	72.19	5/11/2009
117	Astarra Conservative Fund	31.04	5/11/2009
118	Astarra Growth Fund	12.12	5/11/2009
119	Astarra Strategic Fund	118.00	5/11/2009
120	Australian Unity Mortgage Income Trust	625.42	12/11/2009
121	Australian Unity Wholesale Mortgage Income Trust	925.58	12/11/2009
122	BT Wholesale Australian Small Companies Fund	508.62	13/11/2009

	List of Failed and Frozen Financial Products from January 2006 to August 2022	ORIGINAL	
	Managed Fund/Investment	Value ($m) rounded to nearest million	Failed/Frozen Date
123	Colonial First State PST - Australian Share Option	7.03	16/11/2009
124	Colonial First State PST - Property Securities Option	30.01	16/11/2009
125	United Funds Management Australian Shares PST	5.26	16/11/2009
126	United Funds Management Capital Growth PST	8.14	16/11/2009
127	United Funds Management International Shares PST	30.23	16/11/2009
128	Macquarie Life Master Aust Enhanced Equities	45.78	25/11/2009
129	Macquarie Life Master Balanced Investment Fund	65.42	25/11/2009
130	Macquarie Life Master Capital Stable Fund	58.77	25/11/2009
131	Macquarie Life Master Cash Fund	86.87	25/11/2009
132	Macquarie Life Master Fixed Interest Fund	131.79	25/11/2009
133	Macquarie Life Master Property Securities Fund	106.49	25/11/2009
134	Lazard Global Equity (ex Australia) Fund	1.02	30/11/2009
135	AMP Future Directions Total Returns Fund	0.38	2/12/2009
136	Aberdeen Cash Plus Fund	45.58	13/01/2010
137	Legg Mason Australian Credit Trust	7.12	27/01/2010
138	MLC Australian Share Fund (MT)	208.43	2/02/2010
139	MLC Balanced Fund (Moderate)	731.29	2/02/2010
140	MLC Capital Stable Fund (Conservative)	298.44	2/02/2010
141	MLC Capital Stable Fund (MT)	1.87	2/02/2010
142	MLC Corporate Global Share Fund	0.84	2/02/2010
143	MLC Growth Fund (Growth)	757.92	2/02/2010
144	MLC Growth Fund (MT)	13.56	2/02/2010
145	MLC Property Securities Fund (MT)	142.28	2/02/2010
146	BT Wholesale Technology Fund	2.00	22/02/2010
147	OnePath (ING) Corporate Super Balanced Fund	415.28	10/03/2010
148	OnePath (ING) Wholesale Super Australian Shares	6.47	10/03/2010
149	OnePath (ING) Wholesale Super Capital Stable	540.37	10/03/2010
150	OnePath (ING) Wholesale Super Managed Growth	10.71	10/03/2010
151	UBS Protected Cash Fund	0.53	14/04/2010
152	DWS Strategic Value Fund (Enhanced Liquidity)	0.10	20/04/2010
153	Goldman Sachs JB Were Emerging Leaders Wholesale Fund	155.80	23/04/2010
154	Goldman Sachs JB Were Global Health & Biotechnology WS Fund	8.60	23/04/2010

	List of Failed and Frozen Financial Products from January 2006 to August 2022	ORIGINAL	
	Managed Fund/Investment	**Value ($m) rounded to nearest million**	**Failed/Frozen Date**
155	Macquarie Global Private Equities Securities Fund	4.54	27/04/2010
156	Forest Enterprises Australia	393.00	1/05/2010
157	UBS Australian Equity Income Fund	4.67	25/05/2010
158	Goldman Sachs JBWere Property Securities Wholesale Fund	27.20	2/06/2010
159	AMP Capital Investors Small Companies Fund Class A Units	31.49	30/07/2010
160	AMP Capital Australian Small Companies Fund - Wholesale	8.71	20/08/2010
161	Ord Minnett Global Dynamic Fund	14.10	30/08/2010
162	BNP Paribas Asset Management Emerging Markets Equity Fund	2.97	1/09/2010
163	Blackrock Australian Quant Strategies Fund (Class D) Units	210.50	18/10/2010
164	Challenger Wholesale Global Property Securities Fund	21.77	18/10/2010
165	Huon Australian Share Fund	9.93	10/11/2010
166	Blackrock Scientific Australian Equity PST	611.91	15/12/2010
167	Equititrust	194.00	1/11/2011
168	Trilogy Healthcare REIT	6.70	30/06/2012
169	Provident Capital	130.00	24/10/2012
170	Banksia Financial Services	650.00	25/10/2012
171	Opus Capital Growth Fund #1	32.00	18/02/2013
172	Wickham Securities	27.00	1/03/2013
173	LM Australian Income Fund	27.86	20/03/2013
174	LM Australian Structured Products Fund	8.22	20/03/2013
175	LM Cash Performance Fund	0.73	20/03/2013
176	LM Currency Protected Australian Income Fund	76.86	20/03/2013
177	LM Managed Performance Fund	376.74	20/03/2013
178	Velocity Fund	30.00	22/05/2013
179	Opus Magnum Fund	34.00	27/06/2013
180	Opus Development Fund #1	0.50	30/06/2013
181	Van Eyk Blueprint Managed Funds	400.00	4/09/2014
182	Aurora Fortitude Absolute Return Fund	74.20	25/02/2016
183	Hermitage Bendigo (Acacia Bank/Bilkurra) & Foscari land banking schemes	24.00	18/04/2016
184	Courtenay House Capital Investment Fund	196.00	1/05/2017
185	Halifax Investments (share broker)	200.00	1/11/2018
186	Investport Income Opportunity Fund (Beacon)	20.00	18/03/2019
187	Sterling First Group/ Sterling New Life	18.50	1/06/2019
188	Blockchain Global (BGL) crypto-currency platform	21.00	3/11/2021
189	A Team Property Group	23.50	1/06/2022
190	Remi Capital Group	124.00	6/06/2022

	List of Failed and Frozen Financial Products from January 2006 to August 2022	ORIGINAL	
	Managed Fund/Investment	**Value ($m) rounded to nearest million**	**Failed/Frozen Date**
191	Aboriginal Community Benefits Fund	66.00	4/08/2022
		43,731.42	